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PANEL FINDS CASEY NOT UNFIT FOR JOB

But 'Whole Situation Is Not Flattering,' Senator Says of Intelligence Director

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Special to The New York Times

WASHINGTON, Dec. 1 — The Senate Select Committee on Intelligence will issue a report Wednesday stating that it has found no basis for concluding that William J. Casey is unfit to serve as Director of Central Intelligence, according to Senator Harrison Schmitt, Republican of New Mexico.

At the same time, Mr. Schmitt and others on the panel said that the report on the committee's inquiry into Mr. Casey's business transactions and his fitness for the nation's highest intelligence post would criticize the 68-year-old intelligence chief for paying insufficient attention to Government financial disclosure requirements.

"It's safe to say that the whole situation is not flattering," Mr. Schmitt said, noting that there were "omissions" in Mr. Casey's financial disclosure report to the Senate. "I'm convinced they were inadvertent," Senator Schmitt said, "but there are omissions."

Senator Daniel Patrick Moynihan, Democrat of New York, who is acting chairman of the panel, said today fol-

lowing a closed-door meeting that the report would be issued at noon Wednesday. Mr. Moynihan said the delay would permit the staff to poll four of the committee's 13 members who could not attend today's session about their views on the panel's conclusions, and would permit Mr. Casey to review them.

No Dissents Expected

Mr. Moynihan said that there would be no dissents from the committee's findings; no senator, he added, was expected to offer so-called "additional views," a Senate euphemism frequently used to reflect differences of opinion among colleagues.

However, Senator Joseph R. Biden Jr., Democrat of Delaware, said in an interview after the meeting that he disagreed with the committee's conclusions and would explain his position tomorrow in a three-paragraph statement.

"I have a very different view from that of my colleagues on this matter," said Mr. Biden, one of the staunchest proponents four months ago of a thorough inquiry into Mr. Casey's fitness for the post.

"The issue is not whether Mr. Casey committed a crime, or whether there's a smoking gun," he said. "The issue is whether he should have the confidence of the committee. And I draw different conclusions from the material produced by inquiry."

The report is expected to be concise, six single-spaced pages, according to one Senate official. It is expected to note that Mr. Casey failed to disclose more than 70 former law clients in a financial statement filed at Senate confirmation proceedings earlier this year.